



# County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

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<http://cao.co.la.ca.us>

DAVID E. JANSSEN  
Chief Administrative Officer

Board of Supervisors  
GLORIA MOLINA  
First District

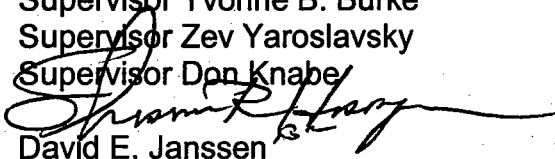
YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

June 1, 2006

To: Supervisor Michael D. Antonovich, Mayor  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
From:   
David E. Janssen  
Chief Administrative Officer

## E-COMMERCE TASK FORCE FINAL REPORT - TRANSITION OF ONGOING E-COMMERCE RESPONSIBILITIES TO THE EGOVERNMENT ADVISORY COMMITTEE

On April 4, 2006, your Board approved the Credit/Debit Card Payment Acceptance Board Policy and executed an agreement with Link2Gov Corporation to provide E-Commerce infrastructure and payment processing to support the County's E-Commerce transactions. The Board Policy amends and supplements prior related Board Orders with respect to transaction and other application costs associated with accepting credit/debit cards providing departments with greater flexibility in implementing E-Commerce applications. The two actions taken by your Board will foster the development and use of E-commerce in the County and enable the public to access County services and information provided via the Internet.

The E-Commerce Task Force (Task Force) has completed the major tasks needed to initiate the implementation of E-Commerce within the County. As such, this final report provides a status of E-Commerce implementation activities including migration of existing applications, tools being developed to assist departments interested in pursuing the development of new applications, and the plan to transition ongoing E-Commerce oversight activities to the County's EGovernment Advisory Committee.

### **Migration of Existing Applications**

The Treasurer and Tax Collector (TTC), Internal Services Department (ISD) and Chief Information Office (CIO) are working with Link2Gov to migrate existing applications from the Department of Public Works and the Department of Coroner. There will be no interruption of services provided to the public as a result of the migration process. In addition, efforts have been made and will continue to be made to solicit the participation of other County departments that have previously developed applications that are being processed through the use of other vendors. The goal is to identify all transitional opportunities.

### **Checklist to Implement E-Commerce**

As previously reported, the Task Force developed a checklist of required tasks for departments to consider as part of any E-Commerce application development. The checklist is now available on the Intranet for utilization by County departments at <http://web.co.la.ca.us/lacounty/ecommerce/>. In addition, the checklist site provides links to sample forms and E-Commerce contact information. The E-Commerce checklist will be updated periodically as needed.

### **Implementation of New Applications - EGovernment Advisory Committee**

On April 28, 2006, the Chief Information Officer and Director of Internal Services issued the attached memorandum to County departments outlining the impact of the new Board Policy and agreement with Link2Gov. In addition, the memorandum promotes the availability of the EGovernment Advisory Committee to assist departments in the planning and preparations required to launch E-Commerce initiatives.

In an effort to support this process, the Auditor-Controller, CIO, ISD, and TTC established a new sub-committee under the EGovernment Advisory Committee. The E-Commerce Readiness Group (ERG), chaired by ISD, will assist departments in all aspects of E-Commerce. The Chief Administrative Office and County Counsel will also be available as needed to assist the ERG in this regard.

The inaugural ERG meeting to define its mission and organization took place on May 18, 2006. The ERG plans to meet at least twice a month. At the same meeting, the Department of Public Works presented its Simple Permits application to the ERG and demonstrated progress towards implementation. On June 1, 2006, the Sheriff's

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June 1, 2006  
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Department and the Treasurer and Tax Collector presented their Inmate Welfare and Auction Book applications, respectively, to the ERG to assess their preparedness for E-Commerce development and implementation in the near future.

The Internal Services Department, Treasurer and Tax Collector, and Chief Information Office will provide your Board with periodic reports on the implementation of E-Commerce as applications are developed and implemented. If you have any questions regarding the E-Commerce initiative, please call me, or your staff may contact Chiu Lee of my staff at (213) 974-1261.

DEJ:DIL:SK  
DD:CL:kd

Attachment

c: Executive Officer, Board of Supervisors  
County Counsel  
Auditor-Controller  
Chief Information Officer  
Director, Internal Services Department  
Treasurer and Tax Collector



JON W. FULLINWIDER  
CHIEF INFORMATION OFFICER

**COUNTY OF LOS ANGELES**  
**CHIEF INFORMATION OFFICE**  
500 West Temple Street  
493 Kenneth Hahn Hall of Administration  
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April 28, 2006

Janssen  
Harper  
Lizzari  
Dijkstra/Kikkawa  
Chiu Lee

To: Department Heads  
From: Jon W. Fullinwider  
Chief Information Officer  
Dave Lambertson  
Director, Internal Services Department  
Subject: **E-COMMERCE APPLICATIONS AND PROJECTS**

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CHIEF ADMINISTRATIVE  
OFFICE

On Tuesday, April 4, 2006 the Board of Supervisors approved two recommendations presented for their action.

1. Approval of an agreement with Link2Gov Corp. (Link2Gov) to provide a high availability E-COMMERCE infrastructure and payment processor to support the County's E-COMMERCE transactions (i.e., electronic payment and credit/debit card processing).
2. Approval of a Board Policy addressing credit/debit card payment acceptance and providing greater discretion to you and your staff subject to your department's ability to increase fees or absorb any incremental cost. However, there are some cases where the costs cannot be absorbed or built into the fees (e.g., property taxes, fees collected for other agencies, etc.). This Policy, a copy of which is attached to this memorandum, amends and supplements prior related Board Orders with respect to transaction and other application costs associated with accepting credit/debit cards.

The new agreement and the added flexibility provided in the formal policy on credit/debit card payment acceptance makes it possible for departments to identify and move forward with the delivery of services via the Internet that requires E-COMMERCE support (the ability to securely accept and process credit/debit card payments). The Board of Supervisors is anxious for Los Angeles County to expand the services and information provided via the Internet, including services that have associated fees and E-COMMERCE capability requirements.

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The added flexibility provided in the new policy on credit/debit card payment acceptance applies to all methods available for accepting credit/debit cards. These methods include: over the counter swipe terminals; mail and telephone orders; interactive voice response (IVR) systems; and other interactive devices. Departments should review their current collections to determine if they want to take advantage of the flexibility provided by the new options in lieu of charging a cardholder user fee to offset credit/debit card acceptance costs. Departments must contact the Treasurer and Tax Collector for assistance with all credit/debit card payment acceptance programs, including non-E-COMMERCE credit/debit card acceptance programs.

The Link2Gov agreement will provide a resource to develop E-COMMERCE applications and the infrastructure for accepting and processing electronic payments, and credit/debit card payments. To assist with funding E-COMMERCE applications, departments are encouraged to submit proposals to the Information Technology Fund (ITF) to support the one-time cost for technology projects. The fund gives special consideration to web-based technology and E-COMMERCE/E-Government projects. There are available monies for grants to fund the development and implementation of projects that provide services/information and accept payments electronically.

The eGovernment Advisory Committee is available to assist departments in their planning and preparations to launch their E-COMMERCE initiatives. The Treasurer and Tax Collector, Auditor-Controller, Internal Services Department and my office have established a new sub-committee under the eGovernment Advisory Committee (E-COMMERCE Readiness Group) to assist your department in all aspects of E-COMMERCE:

- Cost neutrality issues
- Information technology related issues and how to use the new Link2Gov agreement
- Payment options (credit/debit card, etc.) and setting up merchant accounts
- Security requirements, both County and the Payment Card Industry Data Security Standard
- Funding assistance through ITF grant requests
- County legal issues

The E-COMMERCE Readiness Group will be responsible for helping your department work through the various E-COMMERCE issues, policies and procedures.

Department Heads  
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If you have any questions or require additional information, please contact Ali Farahani, Chairperson of the eGovernment Advisory Committee, at (213) 974-1772/afarahani@laccio.org, or John H. Krueger (ISD), Chairperson of the E-COMMERCE Readiness Group, at (562) 940-2905/jkrueger@isd.co.la.ca.us.

JWF:DL:AF:JHK:ygd

Attachment

c: I/T Managers



*Los Angeles County*  
**BOARD OF SUPERVISORS POLICY MANUAL**

Attachment 1

Policy #:	Title:	Effective Date:
0.000	Credit/Debit Card Payment Acceptance Policy	00/00/06

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**PURPOSE**

Provides for a County Credit/Debit Card Payment Acceptance Policy through the amendment and supplementation of related Board Orders with respect to transaction and other application costs associated with the acceptance of credit/debit card payments by County departments and districts.

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**REFERENCE**

November 26, 1991 Board Order, Synopsis 55, Authorizes Long Beach and Los Angeles Municipal Courts to enter a pilot program to accept credit cards for the payment of traffic fines, fees and bail forfeitures

July 13, 1993 Board Order, Synopsis 10, Recommendations for Implementation of a Discover Card Credit Card Acceptance Program

September 21, 1993 Board Order, Synopsis 55, Recommendations for Implementation of a Discover Card Credit Card Acceptance Program

February 3, 1998 Board Order, Synopsis 19, Request for Cost Neutral Credit/Debit Card Acceptance Policy

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**POLICY**

This policy amends and supplements the existing Board Orders referenced above regarding the requirements with respect to transaction and other application costs associated with the acceptance of credit/debit card payments by County departments and districts. For a complete statement of the policy regarding acceptance of credit/debit card payments by County departments and districts, this policy must be read together with the existing Board Orders.

This policy applies to all credit/debit card payment programs for legally permissible Countywide and district applications, except as expressly noted below. This policy allows County departments and districts (1) with the approval of the Auditor-Controller (A-C), to include credit/debit card transaction costs and other application costs in fees charged to all customers or (2) with the approval of the Chief Administrative Office (CAO), to absorb the credit/debit card transaction costs and other application costs in their respective budgets when there is a reasonable business case to do so.

The A-C, Treasurer and Tax Collector (TTC), and the CAO will evaluate any credit/debit card payment programs proposed by County departments and districts that do not meet the preceding two conditions, but merit consideration based on special conditions, to determine the increase in net County cost. The CAO will provide the County departments and districts with the findings of the evaluation and the County departments and districts will need to obtain Board approval of their projects in order to proceed.

This policy does not apply to credit/debit card transaction costs and other application costs that would result in a significant cost to County departments or districts, or result in a reduction of the amounts that are passed along to other agencies. For example, property taxes including special assessments, bonded indebtedness, etc., would be excluded from this policy unless the convenience/service fee and/or other cost savings offsets all or most of the transaction cost and other application costs. As a result, taxpayers will continue to be charged a convenience/service fee for the payment of property taxes with a credit/debit card.

In some cases, County departments or districts may be collecting fees for providing services where the fees have been established by a non-County agency. If the cost of providing the services combined with the credit/debit card transaction costs and other application costs are not greater than the amount of the fees charged, the County departments or districts will be allowed to accept credit/debit cards for these fees, in accordance with this policy.

This policy requires that County departments and districts work with TTC to implement applications to accept credit/debit cards. In addition, this policy requires that County departments and districts work with TTC to ensure that they comply with the credit/debit card acceptance rules and regulations of the credit card companies and/or associations.

#### RESPONSIBLE DEPARTMENT

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Chief Administrative Office  
Auditor-Controller  
Treasurer and Tax Collector

#### DATE ISSUED/SUNSET DATE

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Issue Date: XXXXXXXX xx, 2006

Sunset Date: XXXXXXXX xx, 2011



RECEIVED

ALAN T. SASAKI  
AUDITOR-CONTROLLERCOUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLERKENNETH HAHN HALL OF ADMINISTRATION  
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LOS ANGELES, CALIFORNIA 90012-2766  
PHONE: (213) 974-8301 FAX: (213) 636-5427

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January 20, 1998

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELESThe Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

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FEB 03 1998

Dear Supervisors:

*Joanne Sturges*  
JOANNE STURGES  
EXECUTIVE OFFICERREQUEST FOR A COST NEUTRAL CREDIT/DEBIT CARD  
ACCEPTANCE POLICYALL DISTRICTS  
(3-VOTES)JOINT RECOMMENDATION WITH THE TREASURER AND TAX COLLECTOR THAT  
YOUR BOARD:

1. Adopt a policy supporting the development and implementation of cost neutral credit/debit card payment programs for legally permissible district and Countywide applications, thereby providing more payment options to the public.
2. Authorize the acceptance of cost neutral credit and debit card applications for the payment of all legally permissible County and district fees, charges and taxes.
3. Instruct the Auditor-Controller to review and verify the cost neutrality of proposed applications requested by the districts and County departments; approve the application's accounting controls prior to implementation; and review and approve appropriate user convenience fees.
4. Authorize the Treasurer and Tax Collector to solicit and enter into merchant card servicing agreements with financial institutions and/or credit/debit card processors, issuers or draft purchasers for the acceptance and processing of credit/debit card transactions to implement approved cost neutral credit/debit card acceptance programs, and any other related contracts necessary to implement such programs.

CVN# 19

OF FEB 03 1998

The Honorable Board of Supervisors  
January 20, 1998  
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### PURPOSE OF RECOMMENDED ACTION

The Board is requested to adopt a policy supporting the development and implementation of cost neutral credit/debit card payment programs for legally permissible district and Countywide applications, thereby providing more payment options to the public. The Board would also direct the Auditor-Controller and Treasurer and Tax Collector to oversee the implementation of the necessary administration procedures and internal controls for the acceptance of credit/debit card payment programs.

### JUSTIFICATION

On November 26, 1991 and July 13, 1993, your Board instructed the Chief Administrative Officer to recommend a cost neutral credit card acceptance program for the County. On September 21, 1993 your Board approved the implementation of a cost neutral Discover Card Credit Card acceptance program, based on the Chief Administrative Officer and Treasurer's recommendation.

The authorized Discover Card program currently in place allows the credit card surcharges to be charged through to the customer, which has no fiscal impact on the County. To date, the Discover Card program has been the only cost neutral credit card option available because VISA, MasterCard and debit card issuers, by policy, have refused to permit the County to pass through card discount fees to the customer.

Recently some debit card processors have been permitted to charge the customers under certain circumstances and VISA and MasterCard have started to permit a convenience fee to be charged to the customer using an Automated Voice Response (AVR) system for the taking of payments over the phone. This convenience fee can be set to cover the costs of the AVR and the card company discount fees which presents the County with a cost neutral approach to the acceptance of these cards if it elects to do so. In no event will any convenience fee exceed the cost of providing this service.

### FISCAL IMPACT

There will be no fiscal impact to the County because of the cost neutral policy.

### FINANCING

Not Applicable.

The Honorable Board of Supervisors  
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FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The acceptance of credit/debit cards is allowed per Government Code Section 6159. This policy is needed to formally adopt a Countywide policy regarding the acceptance of credit/debit cards for payments. Currently, the Treasurer and Tax Collector, Auditor-Controller, Chief Administrative Officer and County Counsel have been interpreting the Board's instructions with respect to a cost neutral credit card program as Board policy until such time your Board adopts a formal policy.

IMPACT ON CURRENT SERVICES

Approval of this policy will enable the various entities to expand their credit/debit card programs to include any application that can be demonstrated and verified by the Auditor-Controller to be cost neutral. This approach will permit more payment options to become available to the public over time and to ensure that any such application will not negatively impact County costs or revenue.

Respectfully Submitted,

  
Alan Sasaki  
Auditor-Controller

  
Larry J. Monteilh  
Treasurer and Tax Collector

Chief Administrative Officer  
County Counsel  
Executive Officer Board of Supervisors  
Department heads  
District heads

IN# 19

OF FEB 03 1998